

COAST GUARD AUTHORIZATION ACT FOR FISCAL YEAR
2005

MAY 11, 2004.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Transportation and
Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 3879]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom
was referred the bill (H.R. 3879) to authorize appropriations for the
Coast Guard for fiscal year 2005, to amend various laws adminis-
tered by the Coast Guard, and for other purposes, having consid-
ered the same, report favorably thereon with amendments and rec-
ommend that the bill as amended do pass.

The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be referred to as the “Coast Guard Authorization Act for Fiscal Year
2005”.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal year 2005 for necessary ex-
penses of the Coast Guard as follows:

(1) For the operation and maintenance of the Coast Guard, \$5,212,220,000,
of which \$25,000,000 is authorized to be derived from the Oil Spill Liability
Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution
Act of 1990.

(2) For the acquisition, construction, rebuilding, and improvement of aids to
navigation, shore and offshore facilities, vessels, and aircraft, including equip-
ment related thereto, \$1,528,494,000, of which—

(A) \$23,500,000 is authorized to be derived from the Oil Spill Liability
Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollu-
tion Act of 1990; and

(B) \$1,100,000,000 is authorized for acquisition and construction of shore
and offshore facilities, vessels, and aircraft, including equipment related
thereto, and other activities that constitute the Integrated Deepwater Sys-
tem program.

(3) For research, development, test, and evaluation of technologies, materials, and human factors directly relating to improving the performance of the Coast Guard's mission in search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, oceanographic research, and defense readiness, \$18,500,000, to remain available until expended, of which \$3,500,000 is authorized to be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.

(4) For retired pay (including payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, \$1,085,460,000.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, \$19,136,000, to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard facilities (other than parts and equipment associated with operation and maintenance), \$17,000,000, to remain available until expended.

(7) For maintenance and operation of facilities, supplies, equipment, and services necessary for the Coast Guard Reserve, as authorized by law, \$117,000,000.

SEC. 3. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING.

(a) ACTIVE DUTY STRENGTH.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 45,500 as of September 30, 2005.

(b) MILITARY TRAINING STUDENT LOADS.—The Coast Guard is authorized average military training student loads as follows:

- (1) For recruit and special training for fiscal year 2005, 2,500 student years.
- (2) For flight training for fiscal year 2005, 125 student years.
- (3) For professional training in military and civilian institutions for fiscal year 2005, 350 student years.
- (4) For officer acquisition for fiscal year 2005, 1,200 student years.

Amend the title so as to read:

A bill to authorize appropriations and military strength and training levels for the Coast Guard for fiscal year 2005.

PURPOSE OF THE LEGISLATION

H.R. 3879 authorizes funding for the United States Coast Guard in fiscal year 2005.

BACKGROUND AND NEED FOR THE LEGISLATION

The United States Coast Guard was established on January 28, 1915, through the consolidation of the Revenue Cutter Service (established in 1790) and the Lifesaving Service (established in 1848). The Coast Guard later assumed the duties of three other agencies: the Lighthouse Service (established in 1789), the Steamboat Inspection Service (established in 1838), and the Bureau of Navigation (established in 1884).

The Coast Guard remained a part of the Department of the Treasury until 1967, when it was transferred to the newly created Department of Transportation. Under the Homeland Security Act of 2002, Public Law 107–296, the Coast Guard moved to the new Department of Homeland Security on March 1, 2003.

Under section 2 of title 14, United States Code, the Coast Guard has primary responsibility to enforce or assist in the enforcement of all applicable Federal laws on, under, and over the high seas and waters subject to the jurisdiction of the United States; to ensure safety of life and property at sea; to protect the marine environment; to carry out domestic and international icebreaking activi-

ties; and to ensure the safety and security of vessels, ports, waterways, and related facilities.

As the fifth armed force of the United States, the Coast Guard also maintains defense readiness to operate as a specialized service in the Navy upon the declaration of war or when the President directs. The Coast Guard is composed of approximately 40,000 active duty military personnel, 8,100 reservists, 6,100 civilian employees, and 37,000 volunteers of the Coast Guard Auxiliary. The Coast Guard has defended the Nation in every war since 1790. In fact, the Coast Guard deployed assets to the Persian Gulf and Mediterranean region to take part in the U.S. military's Operation Iraqi Freedom.

The Committee is particularly concerned about implementation of the Integrated Deepwater System (Deepwater) acquisition program. The U.S. Coast Guard has embarked on a "system-of-systems" approach to recapitalization to deal with the problem of aging and deteriorating operational assets. The Coast Guard fleet has incurred increasing maintenance and repair costs at the same time the service is experiencing increased operational demand for vessels and aircraft as overall mission requirements, both homeland security related and traditional missions, have increased. At the onset of the Deepwater program, the Coast Guard realized they would not have the money to replace core assets on a one-by-one basis and, therefore, focused on development of a capabilities-based approach to procurement in which the system would provide the capability rather than single platforms. The Committee continues to support the replacement of outdated legacy assets through procurements made under the Deepwater program. However, the Deepwater program has suffered from continued underfunding, pushing the original procurement and implementation schedule of 20 years to the current timeline of nearly 27 years.

The need for a complete recapitalization is compelling. The Coast Guard operates the second oldest naval fleet in the world. In fact, some currently operating assets were commissioned in WWII. Nearly half of the 110' Patrol Boat fleet is in immediate need of repair for structural deterioration, resulting in the direct loss of several hundred patrol days annually. On average, the High Endurance Cutter fleet suffers a fire in their main engineering space on every patrol, and the fleet's main search and rescue helicopter is equipped with radar designed and installed nearly 20 years ago. Deepwater will provide for new cutters, surveillance assets and Command & Control, Communications Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR), which will allow the service to "push out the borders" and meet other homeland security mission requirements, while ensuring adequate resources to effectively sustain their traditional missions.

The Coast Guard's placement in the Department of Homeland Security continues to concern the Committee. Despite the particular attention placed on the Coast Guard's homeland security related missions in recent years, the service performs a much broader range of jobs. It is imperative that these non-homeland security functions remain priorities for the Coast Guard. The strength of America's commerce relies on waterborne trade, and the Coast Guard protects that trade not only from terrorism, but also from other threats. For this reason, the Committee insists on funding all

non-Homeland Security accounts including non-Deepwater Acquisitions, Construction and Improvements, Alteration of Bridges, and Research, Development, Test and Evaluation at least at the levels enacted for fiscal year 2004.

The Committee is also concerned with the Administration's request to transfer Research, Development, Training and Evaluation funds from the Coast Guard to the Science and Technology Directorate of the Department of Homeland Security. Under Section 888 of the Homeland Security Act, the Coast Guard is to remain intact with all authorities, functions, and capabilities remaining under the authority of the service. The Committee will continue to take steps to maintain the integrity of the Coast Guard.

The Committee contends that the Coast Guard must be given the funds and resources necessary to carry out the greatly widened scope of missions that is now expected of the service.

SUMMARY OF THE LEGISLATION

Section 1 provides for the short title of this legislation, the Coast Guard Authorization Act for Fiscal Year 2005.

Section 2(1) of H.R. 3879 authorizes Operating Expenses at \$5,212,220,000. This amount includes the level requested in the President's FY 2005 budget, plus \$39,000,000, the estimated cost of establishing a West Coast Helicopter Interdiction Tactical Squadron. Since its inception, the HITRON squadron has interdicted 54 ships with over \$4 billion worth of cocaine and made 168 arrests. It has made a significant contribution to our counter-drug operations.

Section 2(2) authorizes Acquisitions, Construction and Improvements (AC&I) at \$1,528,494,000. This level assumes \$1,100,000,000 for the Integrated Deepwater System (Deepwater), level funding for non-Deepwater AC&I at the FY 2004 appropriated level, and an additional \$75,000,000 to continue equipping C130J aircraft already purchased by the Service. Deepwater is the Coast Guard's long-term replacement program for its operational capital assets. The authorized amount would restore the Administration's proposed \$78,944,000 AC&I reduction from the FY 2004 appropriated level. Of this amount, the Committee expects a significant amount will go toward reducing the current \$54,000,000 FY 2005 unfunded shore facilities requirements list. From that list the highest priority should be \$8,500,000 to consolidate support facilities at Kodiak, Alaska, and \$14,100,000 to renovate the Chase Hall Barracks at the Coast Guard Academy, New London Connecticut.

Section 2(3) authorizes Research, Development, Testing and Evaluation at the level requested by the President, \$18,500,000, but assumes the funds will be provided directly to the Coast Guard rather than to the S&T Directorate.

Section 2(4) authorizes retired pay at the amount requested by the Administration, \$1,085,460,000. This is a mandatory expenditure.

Section 2(5) authorizes \$19,136,000 to carry out alteration of bridges as directed by the Truman-Hobbs Act, the amount appropriated in FY 2004. This account provides the Federal Government's share of the costs for altering or removing bridges determined to be obstacles to navigation. The Administration requests no funding to carry out the Truman-Hobbs Act.

Section 2(6) authorizes Environmental Compliance and Restoration at the level requested in the President's FY 2005 budget, \$17,000,000. This account provides resources to carry out environmental compliance and restoration responsibilities resulting from the operation of former and current Coast Guard facilities.

Section 2(7) authorizes Reserve Training at the level requested in the President's FY 2005 budget, \$117,000,000. This amount will provide the resources required to fully train, support, and sustain reserve personnel at a level of readiness necessary to respond to conflict, national emergency, and natural or man-made disasters.

Section 3(a) authorizes the Coast Guard to operate at a level of 45,500 active duty personnel as of September 30, 2005.

Section 3(b) authorizes 2,500 student years for recruit and special training in fiscal year 2005, 125 student years for flight training in fiscal year 2005, 350 student years for professional training in military and civilian institutions for fiscal year 2005, and 1,200 student years for officer acquisition for fiscal year 2005.

LEGISLATIVE HISTORY AND COMMITTEE CONSIDERATION

H.R. 3879 was introduced on March 3, 2004 by the Honorable Don Young, Chairman, Committee on Transportation and Infrastructure with original co-sponsors Congressman Frank A. LoBiondo, Chairman, Subcommittee on Coast Guard and Maritime Transportation; Congressman James L. Oberstar, Ranking Member, Committee on Transportation and Infrastructure; and Congressman Bob Filner, Ranking Member, Subcommittee on Coast Guard and Maritime Transportation.

The bill was referred to the Committee on Transportation and Infrastructure and within the Committee to the Subcommittee on Coast Guard and Maritime Transportation. On March 4, 2004 the Subcommittee held a legislative hearing on H.R. 3879 and on March 10, 2004 the Subcommittee held a mark-up session for the bill. Congressman LoBiondo, Chairman of the Subcommittee, offered an amendment to change the authorization level for the Integrated Deepwater System to \$1.1 billion and Coast Guard Acquisitions, Construction and Improvement to \$1.5 billion. The amendment was approved by the Subcommittee by voice vote. The bill, as amended, was then ordered favorably reported to the Full Committee. Congresswoman Corrine Brown was added as a co-sponsor of the legislation at this meeting.

The Committee on Transportation and Infrastructure held a meeting to mark-up H.R. 3879 on April 21, 2004. The bill as amended was approved unanimously by voice vote and was ordered favorably reported to the Committee of the Whole House on the State of the Union.

ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each roll call vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. No roll call votes were ordered during the consideration of H.R. 3879.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

COST OF LEGISLATION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of this legislation are to authorize levels of funding for the Coast Guard for Fiscal Year 2005.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3879 from the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 27, 2004.

Hon. DON YOUNG,
Chairman, Committee on Transportation and Infrastructure, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3879, the Coast Guard Authorization Act for Fiscal Year 2005.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

H.R. 3879—Coast Guard Authorization Act for fiscal year 2005

Summary: H.R. 3879 would authorize the appropriation of about \$6.9 billion for discretionary programs of the United States Coast Guard (USCG) for fiscal year 2005, including \$5.2 billion for operating expenses, \$1.5 billion for capital projects, \$117 million for the USCG reserves, \$17 million for environmental compliance, and \$19 million each for research projects and for bridge alterations. Of these amounts, \$48.5 million would be authorized to be derived from the Oil Spill Liability Trust Fund (OSLTF) and the remainder from the general fund of the Treasury.

The bill also would authorize the appropriation of nearly \$1.1 billion for USCG retirement benefits (an entitlement) for the year. This provision would not affect direct spending.

CBO estimates that appropriation of the authorized amounts would cost nearly \$4.6 billion in fiscal year 2005 and about \$6.8 billion over the 2005–2009 period. (About \$0.1 billion would be spent after 2009.) Enacting H.R. 3879 would not affect revenues or direct spending.

H.R. 3879 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on State, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary effects of H.R. 3879 are summarized in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 400 (transportation).

| | By fiscal year, in millions of dollars— | | | | | |
|--|---|-------|-------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| USCG Spending Under Current Law: | | | | | | |
| Authorization Level ¹ | 5,883 | 29 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 5,744 | 1,733 | 654 | 251 | 134 | 66 |
| Proposed Changes: | | | | | | |
| Authorization Level | 0 | 6,883 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 0 | 4,569 | 1,244 | 550 | 276 | 122 |
| USCG Spending Under H.R. 3879: | | | | | | |
| Authorization Level ¹ | 5,883 | 6,912 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 5,744 | 6,302 | 1,898 | 801 | 410 | 188 |

¹ The 2004 level is the amount appropriated for that year for USCG activities, reduced by across-the-board cuts and by a \$71 million rescission of fiscal year 2003 emergency funds. The amount includes 2004 emergency supplementals and transfers from the Department of Defense. The existing authorization level of \$29 million in 2005 is the amount already authorized to be appropriated from the OSLTF for USCG operating expenses and research.

Basis of estimate: For this estimate, CBO assumes that H.R. 3879 will be enacted by the end of 2004 and that the authorized amounts will be appropriated for fiscal year 2005. The authorization level is the amount stated in the bill for USCG discretionary accounts, excluding \$28.5 million of the \$48.5 million to be derived from the OSLTF. (That amount, which consists of \$25 million for the agency's operations and \$3.5 million for research, is not a change in the agency's authorization level because such funding is already authorized.) The \$1.1 billion authorized by the bill for USCG retirement is also excluded because such pay is an entitlement under current law and does not require annual appropriation. Estimated outlays are based on historical spending patterns for USCG activities and programs.

Intergovernmental and private-sector impact: H.R. 3879 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on State, local, or tribal governments.

Estimate prepared by: Federal Costs: Deborah Reis. Impact on State, Local, and Tribal Governments: George Waring. Impact on the Private Sector: Jean Talarico.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. (Public Law 104–4).

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt State, local, or tribal law. The Committee states that H.R. 3879 does not preempt any State, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act. (Public Law 104–1).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 3879 makes no changes in existing law.

